

**California
Department
of Food & Agriculture**



Gray Davis, Governor
William (Bill) J. Lyons, Jr., Secretary



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OCTOBER 17, 2001

TO ALL INTERESTED PARTIES:

Enclosed are copies of the latest nonfat powder, bulk butter and Cheddar cheese processing costs for selected periods between January 1998 and December 2000. The cost studies have been adjusted for utility costs through August 2001. The processing cost data does not include the cost of raw product nor does it include any cost associated with marketing finished products.

For each of the three manufactured products, the cost data are presented in three tables. The first table shows actual weighted-average cost of plants grouped by efficiency. The second table shows "theoretical cost" where each cost factor is ranked from the lowest cost of any plant to the highest cost. For example, for "Efficiency Ranking 1" the costs shown are the lowest cost by category observed at any plant. The "Total Operating Cost" figure shows what a "theoretical" plant's cost would be if that plant was the most efficient in each cost factor. The third table details natural gas and electricity costs for March 2001 and August 2001.

Also enclosed is a summary table showing the weighted-average manufacturing cost for nonfat powder, butter and Cheddar cheese as published since May 1989. Cost include packaging, processing labor, processing non-labor, general and administrative cost, return on investment and, for butter and Cheddar cheese, miscellaneous ingredients.

Should you have any questions regarding this material, please contact Tom Gossard, Eric Erba or me at the telephone number or e-mail address above.

Sincerely,

Edward Hunter
Supervising Auditor I

Enclosures

Weighted Average Manufacturing Costs for Butter, Nonfat Dry Milk and Cheddar Cheese *1989 - 2001*

Costs include packaging, processing labor, non-labor processing, general and administrative, return on investments and miscellaneous ingredients (for butter and Cheddar Cheese only). Natural gas and electricity costs, which are included in processing non-labor expenses, are summarized separately.

<u>Date of Release</u>		<u>Butter</u>		<u>Nonfat Dry Milk</u>		<u>Cheddar Cheese¹</u>	
<u>Year</u>	<u>Month</u>	<u>Cost per Pound</u>	<u>Number of Plants</u>	<u>Cost per Pound</u>	<u>Number of Plants</u>	<u>Cost per Pound</u>	<u>Number of Plants</u>
1989	May	\$0.0879	11	\$0.1370	11	\$0.2251	9
1990	June	\$0.0888	11	\$0.1398	11	\$0.2324	9
1991	May	\$0.0883	10	\$0.1438	11	\$0.2192	9
1992	July	\$0.0969	12	\$0.1443	12	\$0.2010	9
1993	August	\$0.0936	12	\$0.1430	11	\$0.1868	10
1994	September	\$0.0895	11	\$0.1341	11	\$0.1889	8
1995	April	\$0.0889	9	\$0.1327	9	\$0.1862	8
1995	November	\$0.0928	9	\$0.1328	9	\$0.1981	8
1996	December	\$0.0970	9	\$0.1333	9	\$0.1898	8
1997	July	\$0.0958	8	\$0.1327	9	\$0.1840	9
1999	February	\$0.0930	8	\$0.1277	9	\$0.1759	10
2000	February	\$0.0957	8	\$0.1356	10	\$0.1693	9
2001	January ²	\$0.0979	8	\$0.1463	11	\$0.1753	9
2001	May ³	\$0.1004	8	\$0.1607	11	\$0.1795	9
2001	October ⁴	\$0.1001	8	\$0.1590	11	\$0.1802	9

¹ For the 1996 Cheddar cheese cost study and subsequent cost studies, we have included costs associated with Cheddar cheese plants producing 500 pound barrels and 640 pound blocks. However, costs for packaging labor and packaging expenses were replaced with the average of those costs associated with 40 pound block plants.

² Includes the cost studies completed for periods between January 1998 and December 1999 and adjusted for utility costs. The utility cost adjustments were made using each plant's invoices for energy costs for October 2000.

³ Updated January 2001 Exhibit using each plant's invoices for energy costs for March 2001

⁴ Includes the most current completed cost studies as well as utility cost adjustments for all plants. The utility cost adjustments were made using each plant's invoices for energy costs for August 2001.

BUTTER PROCESSING COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1998 TO DECEMBER 1999 1/
QUANTITY WEIGHTED AVERAGE PROCESSING COSTS 2/

PLANT GROUPS RANKED BY LOWEST COST 3/	NO. OF PLANTS IN GROUP	MISC. INGREDIENT	PACKAGE	----PROCESSING----		GEN & ADMIN	TOTAL OPERATING COSTS	VOLUME COVERED 4/ 5/	RETURN ON INVEST	TOTAL COST	VOLUME PROCESSED 5/ 6/
				LABOR	NONLABOR						
				-----(\$/lb.)-----				(percent)	-----(\$/lb.)-----		(lbs.)
GROUP 1	4	0.0021	0.0090	0.0264	0.0413	0.0054	0.0842	57.4%	0.0067	0.0909	247,161,355
GROUP 2	4	0.0024	0.0080	0.0503	0.0484	0.0133	0.1224	97.7%	0.0062	0.1287	80,446,903
											327,608,258
STATISTICS FOR 8 PLANTS											
SIMPLE AVERAGE		0.0023	0.0084	0.0461	0.0509	0.0117	0.1194	97.7%	0.0069	0.1263	
WEIGHTED AVERAGE 2/		0.0022	0.0087	0.0323	0.0431	0.0073	0.0936	57.4%	0.0066	0.1001	
MEDIAN		0.0021	0.0080	0.0395	0.0480	0.0075	0.1050	75.4%	0.0066	0.1116	

1/ COSTS REFLECT SELECTED ANNUAL PERIODS FROM JANUARY 1998 TO DECEMBER 1999 AND ADJUSTED FOR NATURAL GAS AND ELECTRICITY FOR AUGUST 2001.

2/ WEIGHTED BY POUNDS OF PRODUCT PROCESSED BY EACH PLANT.

3/ PLANTS HAVE BEEN GROUPED ON THE BASIS OF PROGRESSIVELY INCREASING PROCESSING COSTS WITH THE FIRST GROUP BEING THE LOWEST COST PLANTS.

4/ THE VOLUME COVERED IS THE CUMULATIVE VOLUME OF ALL PLANTS WHOSE ACTUAL COSTS ARE LESS THAN OR EQUAL TO THE LISTED AVERAGE COST.

5/ INCLUDES BOTH BLOCK AND CUT BUTTER FOR VOLUME. COSTS ARE FOR 25 KG. AND 68 LB. BLOCKS OF BUTTER ONLY.

6/ THESE EIGHT PLANTS PROCESSED 99.9% OF THE BUTTER IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(BTR01OCT)

THEORETICAL BUTTER PROCESSING COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1998 TO DECEMBER 1999 1/

EFFICIENCY RANKING	MISC. INGREDIENT	PACKAGING	-----PROCESSING----- LABOR NONLABOR		GEN & ADMIN	TOTAL OPERATING COSTS	VOLUME COVERED 3/ 4/ 5/	RETURN ON INVEST	TOTAL COST
			-----(\$/lb.)-----				(percent)	-----(\$/lb.)-----	
1	0.0015	0.0078	0.0203	0.0322	0.0035	0.0653	0.0%	0.0036	0.0689
2	0.0016	0.0078	0.0253	0.0403	0.0054	0.0804	57.4%	0.0041	0.0845
3	0.0016	0.0079	0.0326	0.0426	0.0055	0.0902	57.4%	0.0049	0.0951
4	0.0017	0.0079	0.0380	0.0474	0.0061	0.1011	57.4%	0.0065	0.1076
5	0.0024	0.0080	0.0409	0.0486	0.0089	0.1088	90.3%	0.0067	0.1155
6	0.0026	0.0093	0.0493	0.0502	0.0103	0.1217	97.7%	0.0083	0.1300
7	0.0028	0.0093	0.0494	0.0592	0.0120	0.1327	97.7%	0.0092	0.1419
8	0.0040	0.0094	0.1130	0.0867	0.0418	0.2549	100.0%	0.0120	0.2669
STATISTICS FOR 8 PLANTS									
SIMPLE AVERAGE	0.0023	0.0084	0.0461	0.0509	0.0117	0.1194	97.7%	0.0069	0.1263
WEIGHTED AVERAGE 2/	0.0022	0.0087	0.0323	0.0431	0.0073	0.0936	57.4%	0.0066	0.1001
MEDIAN	0.0021	0.0080	0.0395	0.0480	0.0075	0.1050	75.4%	0.0066	0.1116

1/ COSTS REFLECT SELECTED ANNUAL PERIODS FROM JANUARY 1998 TO DECEMBER 1999 AND ADJUSTED FOR NATURAL GAS AND ELECTRICITY FOR AUGUST 2001.

TABLE CONSTRUCTED BY RANKING ACTUAL COSTS IN EACH CATEGORY FROM LOWEST TO HIGHEST.

2/ WEIGHTED BY POUNDS OF PRODUCT PROCESSED BY EACH PLANT.

3/ THE VOLUME COVERED IS THE CUMULATIVE VOLUME OF ALL PLANTS WHOSE ACTUAL COSTS ARE LESS THAN OR EQUAL TO THE LISTED AVERAGE COST.

4/ INCLUDES BOTH BLOCK AND CUT BUTTER FOR VOLUME. COSTS ARE FOR 25 KG. AND 68 LB. BLOCKS OF BUTTER ONLY.

5/ THESE EIGHT PLANTS PROCESSED 99.5% OF THE BUTTER IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(BTR01OCT)

NONFAT POWDER PROCESSING COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1998 TO JUNE 2000 1/
QUANTITY WEIGHTED AVERAGE PROCESSING COSTS 2/

PLANT GROUPS RANKED BY LOWEST COST 3/	NO. OF PLANTS IN GROUP	PACKAGE	-- PROCESSING-- LABOR NONLABOR		GEN & ADMIN	TOTAL OPERATING COSTS	VOLUME COVERED 4/ 5/	RETURN ON INVEST	TOTAL COST	VOLUME PROCESSED 5/ 6/
			----- (\$/lb.) -----				(percent)	----- (\$/lb.) -----		(lbs.)
GROUP 1	3	0.0114	0.0240	0.0911	0.0052	0.1317	22.5%	0.0251	0.1568	224,477,396
GROUP 2	4	0.0109	0.0332	0.0901	0.0082	0.1424	70.0%	0.0090	0.1513	308,634,663
GROUP 3	4	0.0124	0.0662	0.1238	0.0135	0.2159	99.1%	0.0090	0.2249	43,693,146
										576,805,205
STATISTICS FOR 11 PLANTS										
SIMPLE AVERAGE		0.0120	0.0484	0.1032	0.0112	0.1748	94.6%	0.0131	0.1880	
WEIGHTED AVERAGE 2/		0.0112	0.0321	0.0930	0.0074	0.1438	70.0%	0.0153	0.1590	
MEDIAN		0.0118	0.0403	0.0903	0.0080	0.1504	92.4%	0.0098	0.1602	

1/ COSTS REFLECT SELECTED ANNUAL PERIODS FROM JANUARY 1998 TO JUNE 2000 AND ADJUSTED FOR NATURAL GAS AND ELECTRICITY FOR AUGUST 2001.

2/ WEIGHTED BY POUNDS OF PRODUCT PROCESSED BY EACH PLANT.

3/ PLANTS HAVE BEEN GROUPED ON THE BASIS OF PROGRESSIVELY INCREASING PROCESSING COSTS WITH THE FIRST GROUP BEING THE LOWEST COST PLANTS.

4/ THE VOLUME COVERED IS THE CUMULATIVE VOLUME OF ALL PLANTS WHOSE ACTUAL COSTS ARE LESS THAN OR EQUAL TO THE LISTED AVERAGE COST.

5/ INCLUDES ALL GRADES OF NONFAT DRY MILK IN ALL SIZE CONTAINERS FOR VOLUME. COSTS ARE FOR 25 KG. AND 50 LB. BAGS OF NFDM ONLY.

6/ THESE ELEVEN PLANTS PROCESSED 100% OF THE NONFAT DRY MILK IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(PWD01OCT)

THEORETICAL NONFAT POWDER PROCESSING COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1998 TO JUNE 2000 1/

EFFICIENCY RANKING	PACKAGE	-- PROCESSING-- LABOR NONLABOR		GEN & ADMIN	TOTAL OPERATING COSTS	VOLUME COVERED 3/ 4/ 5/	RETURN ON INVESTMENT	TOTAL COST
		----- (\$/lb.) -----				(percent)	----- (\$/lb.) -----	
1	0.0087	0.0228	0.0668	0.0047	0.1030	0.0%	0.0044	0.1074
2	0.0099	0.0238	0.0706	0.0047	0.1090	0.0%	0.0065	0.1155
3	0.0104	0.0297	0.0807	0.0056	0.1264	4.0%	0.0088	0.1352
4	0.0108	0.0300	0.0833	0.0060	0.1301	22.5%	0.0089	0.1390
5	0.0116	0.0335	0.0900	0.0079	0.1430	70.0%	0.0096	0.1526
6	0.0118	0.0403	0.0903	0.0080	0.1504	92.4%	0.0098	0.1602
7	0.0119	0.0443	0.0928	0.0090	0.1580	92.4%	0.0119	0.1699
8	0.0122	0.0625	0.0970	0.0101	0.1818	94.6%	0.0155	0.1973
9	0.0135	0.0645	0.0980	0.0139	0.1899	94.6%	0.0162	0.2061
10	0.0146	0.0667	0.1134	0.0153	0.2100	99.1%	0.0241	0.2341
11	0.0169	0.1144	0.2526	0.0376	0.4215	100.0%	0.0289	0.4504
STATISTICS FOR 11 PLANTS								
SIMPLE AVERAGE	0.0120	0.0484	0.1032	0.0112	0.1748	94.6%	0.0131	0.1880
WEIGHTED AVERAGE 2/	0.0112	0.0321	0.0930	0.0074	0.1438	70.0%	0.0153	0.1590
MEDIAN	0.0118	0.0403	0.0903	0.0080	0.1504	92.4%	0.0098	0.1602

1/ COSTS REFLECT ANNUAL PERIODS FROM JANUARY 1998 TO JUNE 2000 AND ADJUSTED FOR NATURAL GAS AND ELECTRICITY FOR AUGUST 2001.

TABLE CONSTRUCTED BY RANKING ACTUAL COSTS IN EACH CATEGORY FROM LOWEST TO HIGHEST.

2/ WEIGHTED BY POUNDS OF PRODUCT PROCESSED BY EACH PLANT.

3/ THE VOLUME COVERED IS THE CUMULATIVE VOLUME OF ALL PLANTS WHOSE ACTUAL COSTS ARE LESS THAN OR EQUAL TO THE LISTED AVERAGE COST.

4/ INCLUDES ALL GRADES OF NONFAT DRY MILK IN ALL SIZE CONTAINERS FOR VOLUME. COSTS ARE FOR 25 KG. AND 50 LB. BAGS OF NFDM ONLY.

5/ THESE ELEVEN PLANTS PROCESSED 100% OF THE NONFAT DRY MILK IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(PWD01OCT)

CHEDDAR CHEESE PROCESSING COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1999 TO DECEMBER 2000 1/
QUANTITY WEIGHTED AVERAGE PROCESSING COSTS 2/

PLANT GROUPS RANKED BY LOWEST COST 3/	NO. OF PLANTS IN GROUP	MISC. INGREDIENT	PACKAGE	-- PROCESSING --		GEN'L & ADMIN.	TOTAL OPERATING COSTS	VOLUME COVERED 4/ 5/	RETURN ON INVESTMENT	TOTAL COST	VOLUME PROCESSED 5/ 6/	FINISHED MOISTURE	VAT FAT	VAT SNF	VAT YIELD	
				LABOR	NONLABOR											
<hr/>																
						(\$/lb.)		(percent)		(\$/lb.)		(lbs.)		(percent)		(lbs/cwt)
GROUP 1	3	0.0121	0.0170	0.0349	0.0638	0.0194	0.1472	29.5%	0.0139	0.1611	325,954,498	36.44	3.99	8.93	10.91	
GROUP 2	3	0.0124	0.0165	0.0502	0.0929	0.0115	0.1834	68.4%	0.0111	0.1945	223,490,274	38.07	3.85	8.92	10.34	
GROUP 3	3	0.0110	0.0253	0.0779	0.0731	0.0247	0.2119	92.3%	0.0109	0.2229	70,600,192	37.98	3.89	8.83	10.74	
											620,044,964					
STATISTICS FOR 9 PLANTS																
SIMPLE AVERAGE		0.0133	0.0204	0.0557	0.0740	0.0198	0.1832	68.4%	0.0111	0.1943		37.32	3.94	8.93	10.84	
WEIGHTED AVERAGE 2/		0.0121	0.0178	0.0453	0.0753	0.0172	0.1676	52.6%	0.0125	0.1802		37.20	3.93	8.91	10.69	
MEDIAN		0.0116	0.0185	0.0523	0.0692	0.0196	0.1712	65.2%	0.0135	0.1847		37.86	3.83	8.85	10.59	

1/ COSTS REFLECT SELECTED ANNUAL PERIODS FROM JANUARY 1999 TO JULY 2000 AND ADJUSTED FOR NATURAL GAS AND ELECTRICITY FOR AUGUST 2001.

2/ WEIGHTED BY POUNDS OF PRODUCT PROCESSED BY EACH PLANT.

3/ PLANTS HAVE BEEN GROUPED ON THE BASIS OF PROGRESSIVELY INCREASING PROCESSING COSTS WITH THE FIRST GROUP BEING THE LOWEST COST PLANTS.

4/ THE VOLUME COVERED IS THE CUMULATIVE VOLUME OF ALL PLANTS WHOSE ACTUAL COSTS ARE LESS THAN OR EQUAL TO THE LISTED AVERAGE COST.

5/ INCLUDES BOTH CHEDDAR AND MONTEREY JACK FOR VOLUME. COSTS, MOISTURE, FAT, SNF AND YIELDS ARE FOR CHEDDAR ONLY.

FOR THE THREE PLANTS PROCESSING BARRELS OR 640 LB. BLOCKS, PACKAGING LABOR AND PACKAGING CONTAINERS REFLECT COSTS FROM THE 40-LB BLOCK PLANTS.

6/ THESE NINE PLANTS PROCESSED 92.9% OF THE CHEDDAR AND MONTEREY JACK CHEESE IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(CHS01OCT)

THEORETICAL CHEDDAR CHEESE PROCESSING COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1999 TO DECEMBER 2000 1/

EFFICIENCY RANKING	MISC. INGREDIENT	PACKAGE	-- PROCESSING -- LABOR NONLABOR		GEN'L & ADMIN	TOTAL OPERATING COSTS	VOLUME COVERED 3/ 4/ 5/	RETURN ON INVESTMENT	TOTAL COST	FINISHED MOISTURE	VAT FAT	VAT SNF	VAT YIELD
			----- (\$/lb.) -----				(percent)	----- (\$/lb.) -----		----- (percent) -----		----- (lbs/cwt) -----	
1	0.0077	0.0145	0.0344	0.0501	0.0058	0.1125	0.0%	0.0043	0.1168	38.40	4.58	9.29	12.69
2	0.0087	0.0169	0.0346	0.0544	0.0179	0.1325	0.0%	0.0057	0.1382	38.38	4.02	9.27	11.28
3	0.0107	0.0169	0.0371	0.0631	0.0194	0.1472	29.5%	0.0068	0.1540	38.34	4.02	8.95	11.08
4	0.0109	0.0177	0.0450	0.0635	0.0194	0.1565	45.6%	0.0081	0.1646	38.20	3.93	8.95	10.87
5	0.0116	0.0185	0.0523	0.0692	0.0196	0.1712	65.2%	0.0135	0.1847	37.86	3.83	8.85	10.59
6	0.0119	0.0200	0.0570	0.0720	0.0217	0.1826	68.4%	0.0149	0.1975	37.72	3.81	8.81	10.52
7	0.0121	0.0212	0.0761	0.0795	0.0222	0.2111	92.3%	0.0149	0.2260	37.50	3.80	8.80	10.40
8	0.0152	0.0223	0.0769	0.1039	0.0256	0.2439	98.6%	0.0151	0.2590	34.98	3.79	8.73	10.24
9	0.0312	0.0354	0.0882	0.1106	0.0262	0.2916	100.0%	0.0167	0.3083	34.46	3.72	8.71	9.89

STATISTICS FOR 9 PLANTS

SIMPLE AVERAGE	0.0133	0.0204	0.0557	0.0740	0.0198	0.1832	68.4%	0.0111	0.1943	37.32	3.94	8.93	10.84
WEIGHTED AVERAGE 2/	0.0121	0.0178	0.0453	0.0753	0.0172	0.1676	52.6%	0.0125	0.1802	37.20	3.93	8.91	10.69
MEDIAN	0.0116	0.0185	0.0523	0.0692	0.0196	0.1712	65.2%	0.0135	0.1847	37.86	3.83	8.85	10.59

1/ COSTS REFLECT SELECTED ANNUAL PERIODS FROM JANUARY 1999 TO JULY 2000 AND ADJUSTED FOR NATURAL GAS AND ELECTRICITY FOR AUGUST 2001.

TABLE CONSTRUCTED BY RANKING ACTUAL COSTS IN EACH CATEGORY FROM LOWEST TO HIGHEST. CHEESE VAT DATA WAS RANKED FROM HIGHEST TO LOWEST.

2/ WEIGHTED BY POUNDS OF PRODUCT PROCESSED BY EACH PLANT.

3/ THE VOLUME COVERED IS THE CUMULATIVE VOLUME OF ALL PLANTS WHOSE ACTUAL COSTS ARE LESS THAN OR EQUAL TO THE LISTED AVERAGE COST.

4/ INCLUDES BOTH CHEDDAR AND MONTEREY JACK FOR VOLUME. COSTS, MOISTURE, FAT, SNF AND YIELDS ARE FOR CHEDDAR ONLY.

FOR THE THREE PLANTS PROCESSING BARRELS OR 640 LB. BLOCKS, PACKAGING LABOR AND PACKAGING CONTAINERS REFLECT COSTS FROM THE 40-LB. BLOCK PLANTS.

5/ THESE NINE PLANTS PROCESSED 92.9% OF THE CHEDDAR AND MONTEREY JACK CHEESE IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(CHS01OCT)

BUTTER UTILITY COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1998 TO DECEMBER 1999
NATURAL GAS & ELECTRICITY COSTS ADJUSTED FOR MARCH 2001 AND AUGUST 2001 1/

PLANT GROUPS RANKED BY TOTAL COST 2/	NO. OF PLANTS IN GROUP	PLANT UTILITY COSTS UNADJUSTED		PLANT UTILITY COSTS ADJUSTED - MAR 2001		PLANT UTILITY COSTS ADJUSTED - AUG 2001		VOLUME PROCESSED 3/ 4/
		NAT GAS	ELECT	NAT GAS	ELECT	NAT GAS	ELECT	
----- (\$/lb.)----- (\$/lb.)----- (lbs.)								
GROUP 1	4	0.0019	0.0027	0.0064	0.0026	0.0047	0.0046	247,161,355
GROUP 2	4	0.0007	0.0048	0.0027	0.0051	0.0021	0.0101	80,446,903
								327,608,258
STATISTICS FOR 8 PLANTS								
SIMPLE AVERAGE		0.0015	0.0039	0.0052	0.0041	0.0040	0.0077	
WEIGHTED AVERAGE 1/		0.0016	0.0032	0.0055	0.0032	0.0041	0.0059	
PERCENT OF TOTAL COST		1.69%	3.37%	5.57%	3.24%	4.10%	5.89%	

- 1/ NATURAL GAS AND ELECTRICITY COSTS WEIGHTED BY POUNDS OF PRODUCT PROCESSED AT EACH PLANT.
 2/ PLANTS HAVE BEEN GROUPED ON THE BASIS OF PROGRESSIVELY INCREASING TOTAL PROCESSING COSTS.
 3/ INCLUDES BOTH BLOCK AND CUT BUTTER FOR VOLUME. COSTS ARE FOR 25 KG. AND 68 LB. BLOCKS OF BUTTER ONLY.
 4/ THESE EIGHT PLANTS PROCESSED 99.9% OF THE BUTTER IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(BTR-ENERGY-OCT)

NONFAT POWDER UTILITY COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1998 TO JUNE 2000
NATURAL GAS & ELECTRICITY COSTS ADJUSTED FOR MARCH 2001 AND AUGUST 2001 1/

PLANT GROUPS RANKED BY TOTAL COST 2/	NO. OF PLANTS IN GROUP	PLANT UTILITY COSTS UNADJUSTED		PLANT UTILITY COSTS ADJUSTED - MAR 2001		PLANT UTILITY COSTS ADJUSTED - AUG 2001		VOLUME PROCESSED 3/ 4/
		NAT GAS	ELECT	NAT GAS	ELECT	NAT GAS	ELECT	
		----- (\$/lb.) -----		----- (\$/lb.) -----		-----		(lbs.)
GROUP 1	3	0.0102	0.0080	0.0399	0.0082	0.0291	0.0139	224,477,396
GROUP 2	4	0.0125	0.0075	0.0337	0.0078	0.0276	0.0164	308,634,663
GROUP 3	4	0.0153	0.0136	0.0603	0.0139	0.0463	0.0323	43,693,146
								<hr/> 576,805,205
STATISTICS FOR 11 PLANTS								
SIMPLE AVERAGE		0.0148	0.0095	0.0508	0.0096	0.0374	0.0178	
WEIGHTED AVERAGE 1/		0.0118	0.0082	0.0382	0.0084	0.0296	0.0166	
PERCENT OF TOTAL COST		8.89%	6.17%	23.96%	5.27%	18.62%	10.44%	

1/ NATURAL GAS AND ELECTRICITY COSTS WEIGHTED BY POUNDS OF PRODUCT PROCESSED AT EACH PLANT.

2/ PLANTS HAVE BEEN GROUPED ON THE BASIS OF PROGRESSIVELY INCREASING TOTAL PROCESSING COSTS.

3/ INCLUDES ALL GRADES OF NONFAT DRY MILK IN ALL SIZE CONTAINERS FOR VOLUME. COSTS ARE FOR 25 KG. AND 50 LB. BAGS OF NFDM ONLY.

4/ THESE ELEVEN PLANTS PROCESSED 100% OF THE NONFAT DRY MILK IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(PWD-ENERGY-OCT)

CHEDDAR CHEESE UTILITY COSTS

FOR SELECTED PERIODS, CALIFORNIA, JANUARY 1999 TO DECEMBER 2000
NATURAL GAS & ELECTRICITY COSTS ADJUSTED FOR MARCH 2001 AND AUGUST 2001 1/

PLANT GROUPS RANKED BY TOTAL COST 2/	NO. OF PLANTS IN GROUP	PLANT UTILITY COSTS UNADJUSTED		PLANT UTILITY COSTS ADJUSTED - MAR. 2001		PLANT UTILITY COSTS ADJUSTED - AUG. 2001		VOLUME PROCESSED 4/ 5/
		NAT GAS	ELECT	NAT GAS	ELECT	NAT GAS	ELECT	
		----- (\$/lb.) -----		----- (\$/lb.) -----		-----		(lbs.)
GROUP 1	3	0.0048	0.0038	0.0078	0.0033	0.0065	0.0048	325,954,498
GROUP 2	3	0.0076	0.0073	0.0174	0.0069	0.0096	0.0143	223,490,274
GROUP 3	3	0.0065	0.0084	0.0123	0.0078	0.0086	0.0138	70,600,192
								620,044,964
STATISTICS FOR 9 PLANTS								
SIMPLE AVERAGE		0.0062	0.0063	0.0121	0.0059	0.0084	0.0107	
WEIGHTED AVERAGE 1/		0.0060	0.0056	0.0118	0.0051	0.0079	0.0092	
PERCENT OF TOTAL COST		3.45%	3.22%	6.58%	2.84%	4.38%	5.11%	

1/ NATURAL GAS AND ELECTRICITY COSTS WEIGHTED BY POUNDS OF PRODUCT PROCESSED AT EACH PLANT.

2/ PLANTS HAVE BEEN GROUPED ON THE BASIS OF PROGRESSIVELY INCREASING TOTAL PROCESSING COSTS.

3/ INCLUDES BOTH CHEDDAR AND MONTEREY JACK FOR VOLUME. UTILITY COSTS ARE FOR CHEDDAR ONLY.

4/ THESE NINE PLANTS PROCESSED 92.9% OF THE CHEDDAR AND MONTEREY JACK CHEESE IN CALIFORNIA IN 1999.

DAIRY MARKETING BRANCH, CDFA

OCTOBER 2001

(CHSE-ENERGY-OCT)